

# Lecture 6: Strategies

## Episode 1: Theory

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## Lecture 6: Overview





## Lecture 6: Overview

### **Episode 1: Theory**

Episode 2: Case Study E-Golf

Episode 3: Interview



## Learning Objectives

### **Learning Objective 1:**

Explain how ecological and social problems translate into market and marketing issues.

### **Learning Objective 2:**

Describe the major steps involved in developing sustainability marketing strategies.



## Structure of the Episode

- Introduction
- Screening Sustainability Issues and Actors
- Segmenting Sustainability Markets
- Introducing Sustainability Innovations
- Positioning Sustainable Products
- Partnering with Sustainability Stakeholders



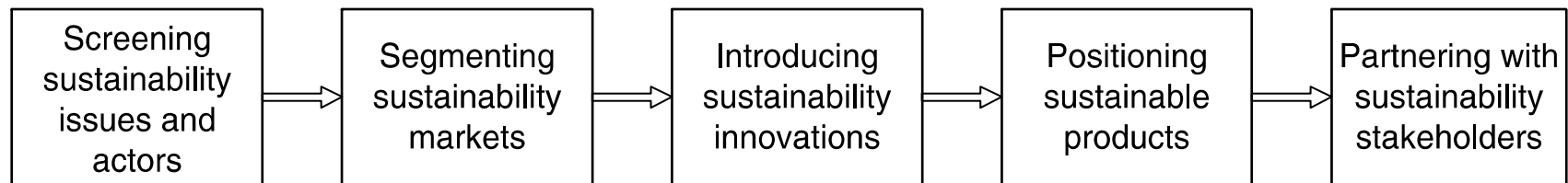
# Introduction

## Key Questions:

- Where?
- When?
- How?

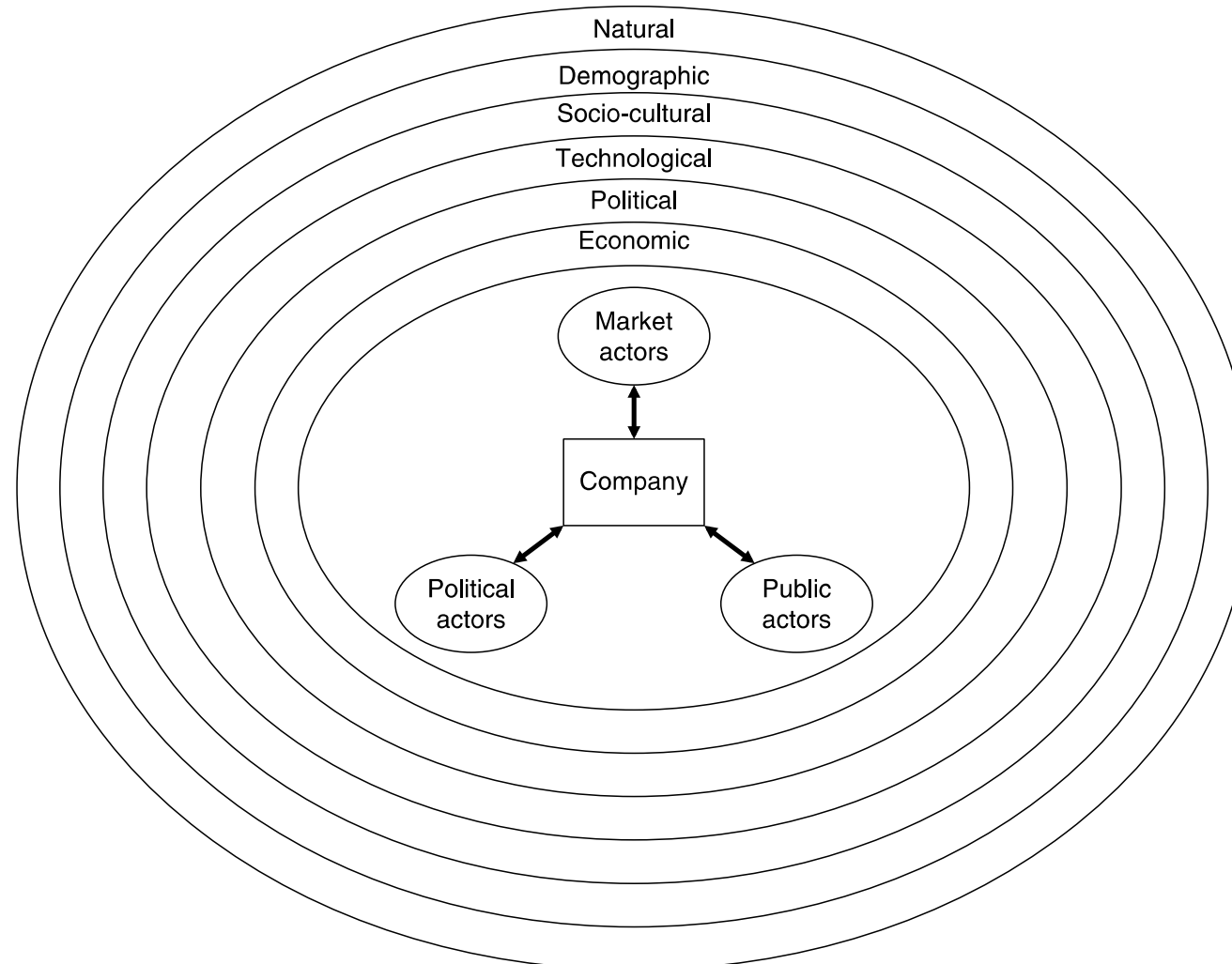


# Introduction





# Screening Sustainability Issues and Actors



Source: Belz and Peattie 2012, p. 141





# Screening Sustainability Issues and Actors

## Market Actors

- Customers
- Suppliers
- Competitors
- Shareholders



# Screening Sustainability Issues and Actors

## Public Actors

- Media
- Online media
- Interest groups
- Local communities
- Online communities



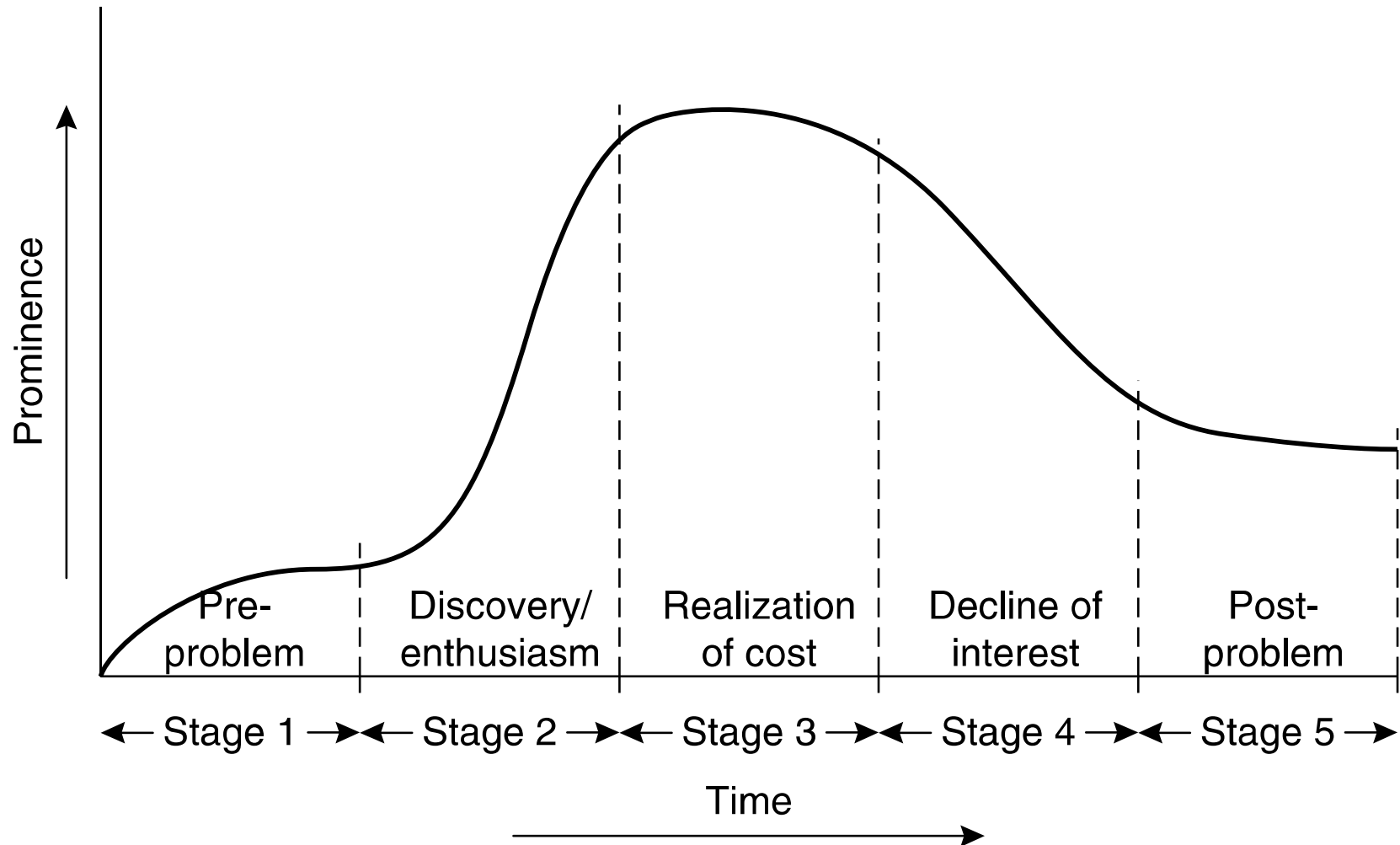
# Screening Sustainability Issues and Actors

## Political Actors

- Government
- Administration



# Screening Sustainability Issues and Actors



Source: Based on Durns 1972 and Dyllick 1990



## Screening Sustainability Issues and Actors



Photo: Hannes Grobe

Source: [http://commons.wikimedia.org/wiki/File:1991\\_polar-bear\\_hg.jpg](http://commons.wikimedia.org/wiki/File:1991_polar-bear_hg.jpg)



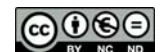


## Screening Sustainability Issues and Actors



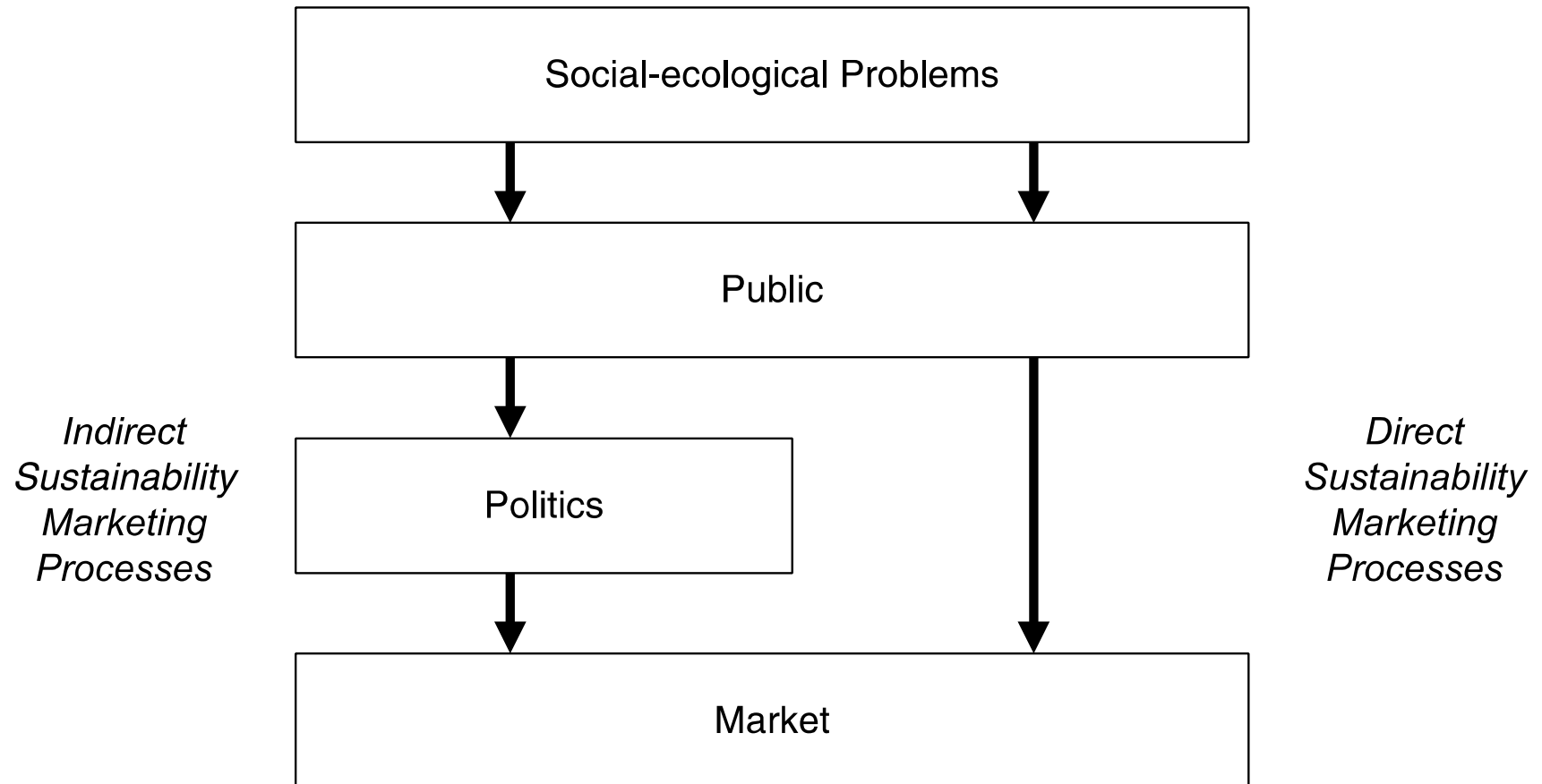
Photo: Tom Raftery

Source: [http://en.wikipedia.org/wiki/File:Al\\_Gore\\_at\\_SapphireNow\\_2010.jpg](http://en.wikipedia.org/wiki/File:Al_Gore_at_SapphireNow_2010.jpg)





## Screening Sustainability Issues and Actors





## Segmenting Sustainability Markets

- Geographic
- Demographic
- Behavioural
- Psychographic





# Segmenting Sustainability Markets

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S

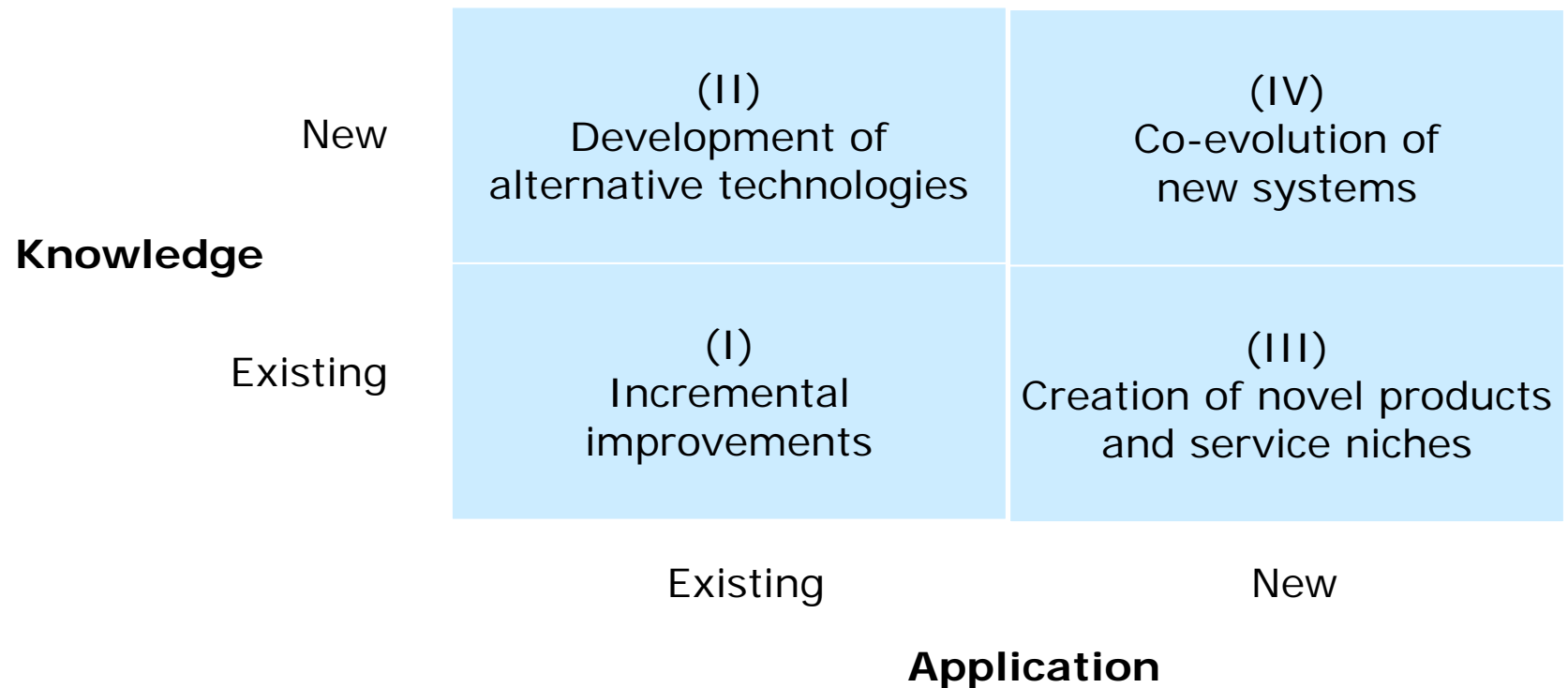


# Segmenting Sustainability Markets

L  
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V  
O  
S



# Introducing Sustainability Innovations





## Introducing Sustainability Innovations

### (I) Incremental Improvements: Efficient Cars



Photo: HLW

Source: [http://en.wikipedia.org/wiki/File:BMW\\_328i\\_F30\\_2012\\_vl\\_2.jpg](http://en.wikipedia.org/wiki/File:BMW_328i_F30_2012_vl_2.jpg)





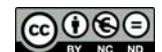
## Introducing Sustainability Innovations

### (II) Alternative Technologies: Hybrid Cars



Photo: S 400 Hybrid

Source: [http://en.wikipedia.org/wiki/File:Toyota\\_Prius\\_III\\_20090710\\_front.JPG](http://en.wikipedia.org/wiki/File:Toyota_Prius_III_20090710_front.JPG)





## Introducing Sustainability Innovations

### (III) Novel Product and Service Niches: Car Sharing



Source: Mobility Genossenschaft 2012



# Introducing Sustainability Innovations

## (IV) Co-evolution of New Systems: Sustainable Mobility



Source: Rhein Main Verkehrsverbund (RMV) 2012



# Introducing Sustainability Innovations

Innovation



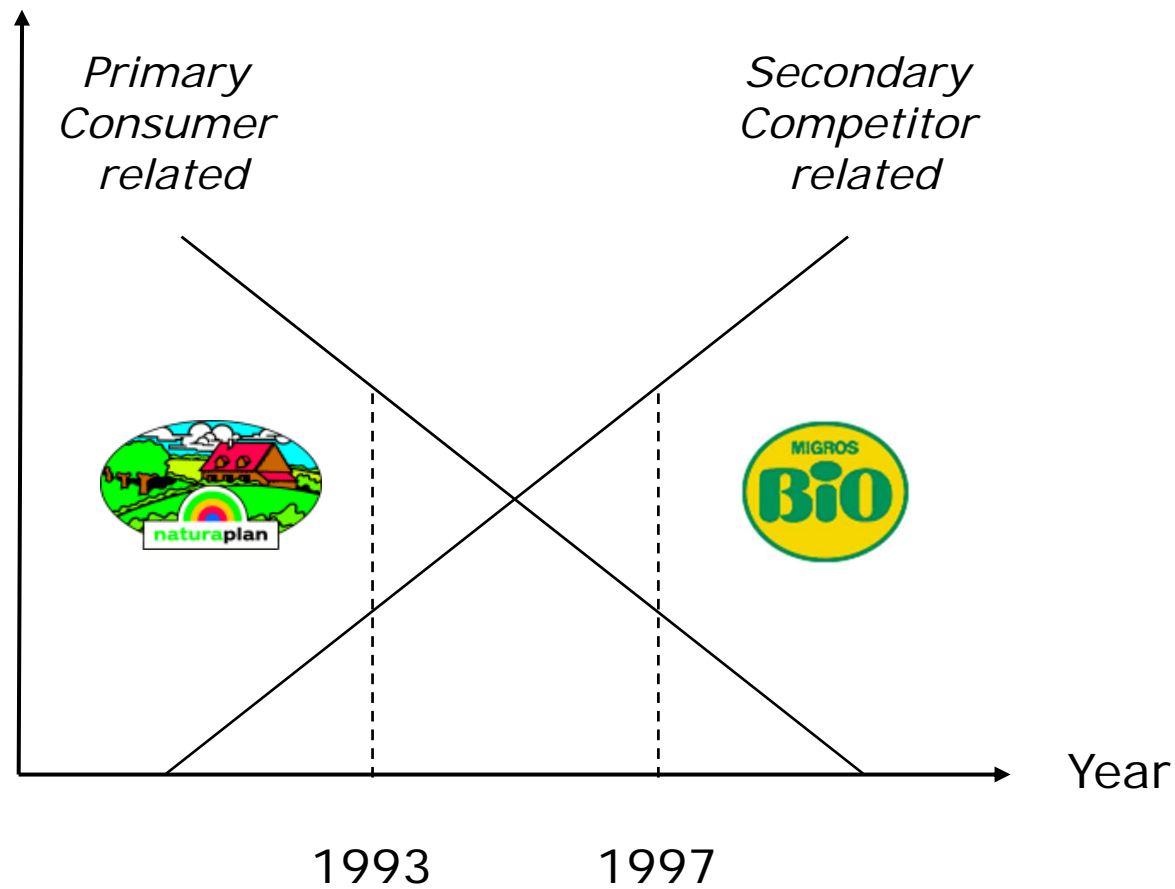
Exnovation





# Introducing Sustainability Innovations

## Market entry barriers



Source: Belz and Peattie 2012, p. 158



## Positioning Sustainable Products

### Two Key Questions:

- If sustainable products have a competitive advantage over conventional offerings, should it be communicated to the customer?
- Which role does the socio-ecological value added play in communication related to traditional purchasing criteria such as performance and price?



# Positioning Sustainable Products

## Four Options:

- Focus
- Equal emphasis
- Integral part
- Refrain



## Positioning Sustainable Products

Performance/Price



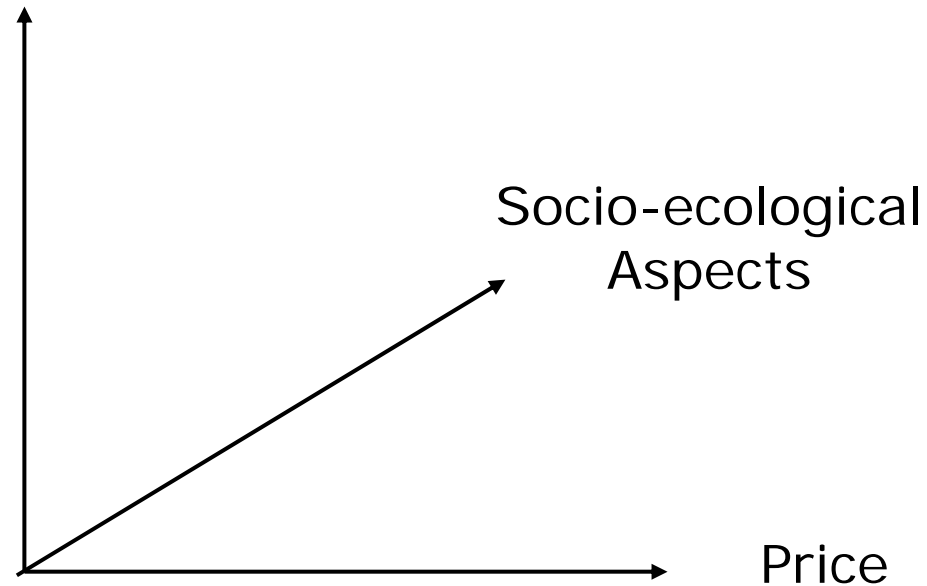
Socio-ecological  
Aspects

Source: Meffert/Kirchgeorg 1999: 279



## Positioning Sustainable Products

Performance

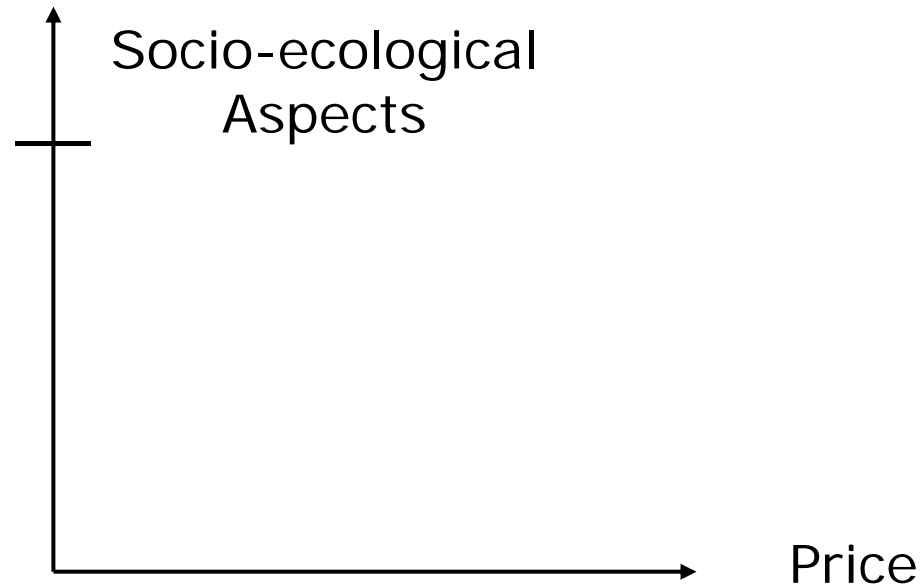


Source: Meffert/Kirchgeorg 1999: 279



## Positioning Sustainable Products

Performance



Source: Meffert/Kirchgeorg 1999: 279



# Positioning Sustainable Products

Performance

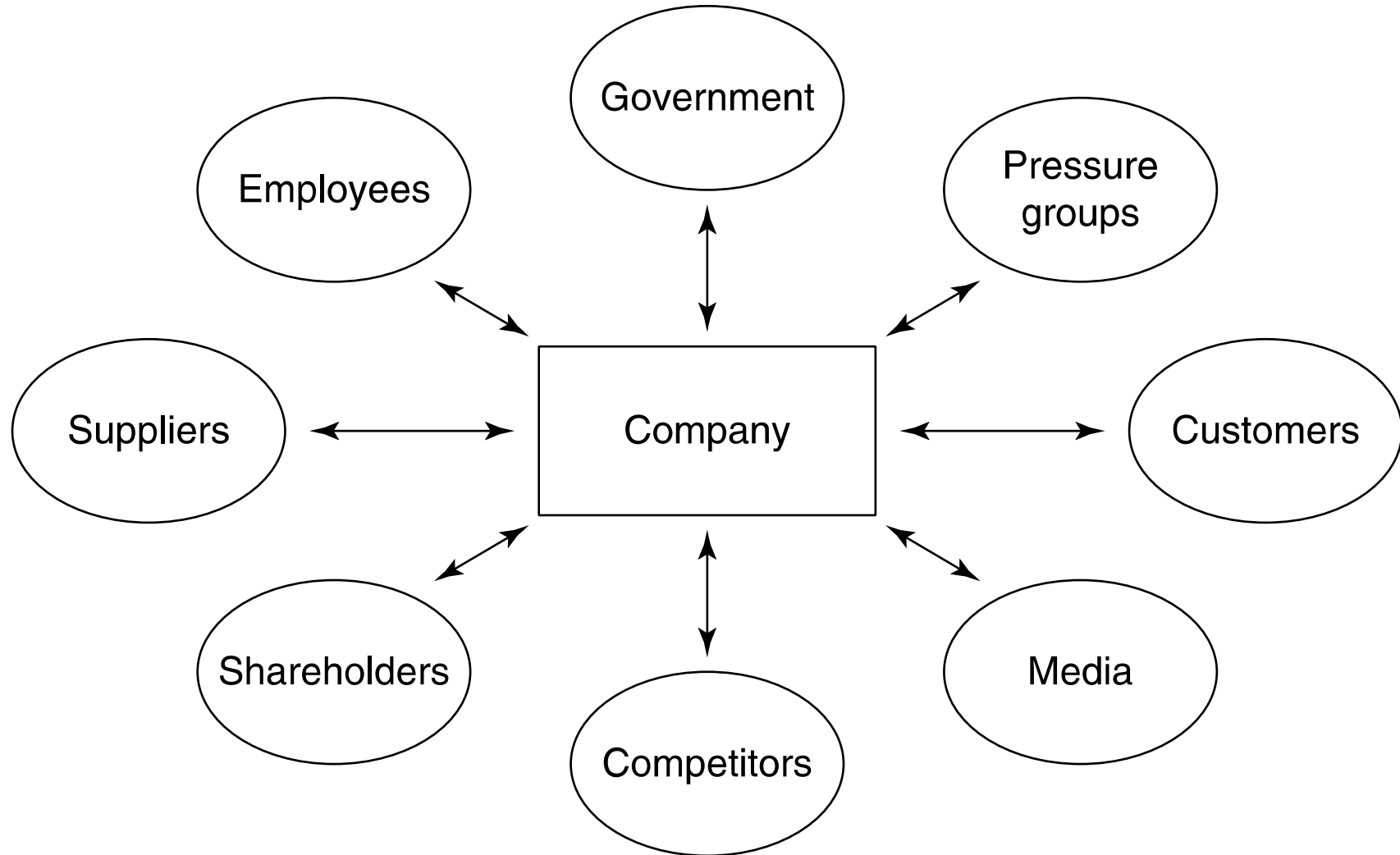


Price

Source: Meffert/Kirchgeorg 1999: 279



## Partnering with Sustainability Stakeholders



Source: Freeman 1984, 2000





## Partnering with Sustainability Stakeholders

### Open Sustainability Innovation

„... opening up the company, especially research and development, and involving different kinds of stakeholders into the development process of sustainable products and services.“

Source: Belz and Peattie 2012, p. 163-164

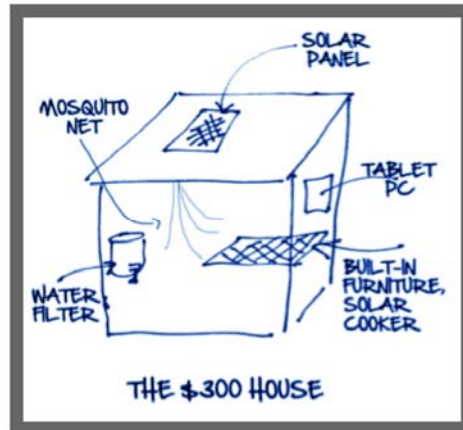


# Partnering with Sustainability Stakeholders

## The \$300 House

### THE CONCEPT

The **\$300 House** was first described in a *Harvard Business Review* [blog post](#) by **Vijay Govindarajan** and **Christian Sarkar**. Initially, we just wanted to put the idea out there, but now, due to the tremendous response, we've decided to see how far we can go toward making this idea a reality.



We started with five simple questions:

- How can organic, self-built slums be turned into livable housing?
- What might a house-for-the-poor look like?
- How can world-class engineering and design capabilities be utilized to solve the problem?
- What reverse-innovation lessons might be learned by the participants in such a project?
- How could the poor afford to buy this house?

### Will you join us?

Please sign up if you are interested in participating or learning more about this project (your info will not be shared with anyone).

First Name:

Last Name:

\* Email Address:

Company Name:

Job Title:

JOIN our Google Group [here](#) >>  
Visit our [blog](#) >>

The **\$300 House** in *Harvard Business Review*:

**The \$300 House: Businesses Take Up the Challenge** by Vijay Govindarajan and Christian Sarkar

- [The Challenge](#) by Vijay Govindarajan and Christian Sarkar
- [The Financial Challenge](#) by David A. Smith

Source: [www.300house.com](http://www.300house.com)



# Partnering with Sustainability Stakeholders

[HOME](#) | [ABOUT US](#) | [THE CONCEPT](#) | [BLOG](#) | [RESOURCES](#) | [ORGANIZATIONS](#) | [PARTICIPATE](#) | [CONTACT](#)

## The \$300 House

### 1 Start a Conversation

Discuss, debate, and challenge one another to learn about the **problem of housing** at the base of the pyramid.

Partner  
[Harvard Business Review](#)

### 2 Design Challenge

Host a Design Challenge to **identify designers and architects** interested in designing housing for the poor.

Partner  
[jovoto.com](#)  
  
Sponsor  
[Ingersoll Rand](#)

### 3 Community Feedback

Build relationships. Conduct surveys and face-to-face discussions with **communities** interested in affordable housing.

Partners  
[Three Headed Lion](#)  
  
[Dartmouth](#)

### 4 Prototyping

Prototyping workshops to build open-source solutions.

ETHIOPIA  
[International Fund for Africa](#)

HAITI  
[Dartmouth](#)

INDIA  
[Enterprise for a Sustainable World](#)

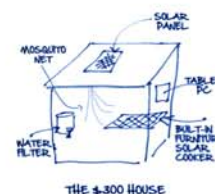
### 5 Pilot Project

Partner with a community and local NGOs, businesses & government to build a pilot village.

ETHIOPIA  
[International Fund for Africa](#)

HAITI  
[Dartmouth](#)

INDIA  
[Enterprise for a Sustainable World](#)



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Also: Join our [Google Group](#)

Source: [www.300house.com](http://www.300house.com)





# Partnering with Sustainability Stakeholders

June 15, 2011

## \$300 House: Open Design Challenge Winners



Source: [www.300house.com](http://www.300house.com)



## Partnering with Sustainability Stakeholders

### Open Sustainability Marketing

„... opening up the company, especially its marketing, and involving different kinds of stakeholders into the development process of marketing sustainable products and services.“

Source: Belz and Peattie 2012, p. 164



## Partnering with Sustainability Stakeholders



Source: Procter & Gamble



ALLIANCE TO  
SAVE ENERGY

*Creating an Energy-Efficient World*

Source: Alliance to Save Energy



Source: WWF



Source: Energy Saving Trust



## Review and Discussion Questions

1. What are the five steps involved in developing a sustainability marketing strategy? Briefly describe each stage.
2. What role does energy efficiency of household appliances play in your country? Analyse how energy consumption of household appliances was transformed from an ecological problem to an issue of markets and marketing.



## References

- Belz, F.-M., Peattie, K. (2012): Sustainability Marketing: A Global Perspective, 2. ed., Chichester, p. 137-165.
- Downs, A. (1972): Up and down with ecology: The 'issue attention cycle', The Public Interest, 20 (summer): 38-50.
- Driscoll, C., Starik, M. (2004): The primordial stakeholder: Advancing the conceptual considerations of the natural environment's stakeholder status, Journal of Business Ethics, 49(11): 55-73.





## In Cooperation



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